

FAT CAT'S TOP 10 WAYS TO TEACH KIDS ABOUT MONEY!



It's important for children to learn basic financial concepts early. Aspects of financial education may be introduced in the classroom, but as parents or guardians, you have the opportunity to educate and reinforce money management lessons to help your children develop good saving and spending habits. Here are some tips and tools to help you succeed!

1. **Understanding Money** – Help your youth understand the value of money – how to count it, why you should save it, how to make it grow and most importantly... how to spend it wisely.
2. **Saving Power** – Highlight the benefits of saving in an account that earns dividends, like the FAT CAT share account. Explain that by saving in their FAT CAT account, the credit union pays them additional money (dividends) for the money they have saved in their account. The more they save, the more they earn!
3. **Branch Visits** – Bring the children when visiting the branch for your transactions. Including them in the process is a great way to teach, especially since they are visual learners. It's also a great time to help them use the FAT CAT coin sorter and make a deposit into their FAT CAT account with change they have saved!
4. **Allowances** – If you choose to give an allowance, consider breaking the amount into multiple bills. For example, give five \$1 bills instead of a \$5 bill and encourage them to put part of it in savings.
5. **Setting Goals** – Setting goals helps children take responsibility for things they want to buy. If they want a new toy, have a discussion about setting that as a savings goal.
6. **Needs vs. Wants vs. Wishes** – Explain the differences to help them make good spending choices. Instant gratification may not translate into wise financial decisions.
7. **Withdrawals** – If your child wants to withdraw money from his or her account, don't automatically say no. Discuss the reasons why. Not allowing any withdrawals could discourage saving.
8. **Spending Decisions** – Children (and adults) learn from their spending choices – both good and bad. Initiate a conversation, discussing in advance the pros and cons of making the purchase. Help them research and compare prices to determine the best place and time to buy.
9. **Teaching Opportunities** – About 1/3 of our take home pay is spent on groceries and household items. Use regular shopping trips as learning opportunities by explaining the value of coupons, sales and comparison shopping to help with monthly budgeting.
10. **Recordkeeping** – Emphasize the importance of recordkeeping to know how much money you have and how much you have spent. A FAT CAT share passbook can help by giving your children a tool to record their deposits and withdrawals using their receipts for reference.